

**Introduced by Senator Hill**

February 25, 2015

---

---

~~An act to amend Section 7590.1 of the Business and Professions Code, relating to professions and vocations. An act to amend Sections 7542, 7583.4, 7583.6, 7583.12, 7583.22, 7583.23, 7583.33, and 7599.54 of, to add Section 7585.4.1 to, to add Article 10 (commencing with Section 6981) to Chapter 8.5 of, to add Article 12 (commencing with Section 7511.5) to Chapter 11 of, to add Article 8 (commencing with Section 7573.5) to Chapter 11.3 of, to add Article 16 (commencing with Section 7576) to Chapter 11.4 of, to add Article 9 (commencing with Section 7588.8) to Chapter 11.5 of, and to add Article 15 (commencing with Section 7599.80) to Chapter 11.6 of, Division 3 of, the Business and Professions Code, relating to professions and vocations.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 468, as amended, Hill. ~~Alarm Companies: limited liability companies. Bureau of Security and Investigative Services: licensees.~~

*(1) Existing law provides for the regulation, by the Bureau of Security and Investigative Services, of locksmiths and the employers of locksmiths, repossessioners, private investigators, private patrol operators, armored contract carriers, firearms and baton training facilities, and employees of those licensees, alarm company operators and alarm agents, and proprietary security services.*

*This bill would subject the bureau to review by the appropriate policy committees of the Legislature.*

*(2) Existing law prohibits a licensed private investigator and qualified manager who, in the course of his or her employment or business,*

*carries a deadly weapon to carry or use a firearm unless he or she has in his or her possession a valid firearms qualification card and requires the licensed private investigator and qualified manager to comply with, and be subject to, specified provisions. Under existing law, a firearms qualification card does not authorize the holder of the card to carry a firearm capable of being concealed upon the person in a concealed manner, as specified.*

*This bill would authorize those licensed private investigators and qualified managers who possess a valid firearms qualification card to also carry a concealed firearm if they satisfy specified conditions.*

*(3) The Alarm Company Act requires that specified agreements entered into by an alarm company pertaining to alarm systems, including, among others, lease agreements, monitoring agreements, service agreements, and installation agreements, be in writing and to include specified items.*

*This bill would additionally require all initial residential sales and lease agreements that contain an automatic renewal provision to disclose that the agreement contains an automatic renewal provision, as provided.*

*(4) The Private Security Services Act provides, among other matters, for the licensure and regulation of private patrol operators by the Bureau of Security and Investigative Services within the Department of Consumer Affairs and makes a violation of its provisions a crime. Under existing law, a person required to be registered as a security guard must report to his or her employer, within 24 hours of the incident, the circumstances surrounding the discharge of any firearm in which he or she is involved while acting within the course and scope of his or her employment. Existing law also requires a person registered as a security or patrolperson to deliver to the Director of Consumer Affairs and to local law enforcement a written report describing the circumstances surrounding the discharge of a firearm in which he or she was involved while acting within the course of his or her employment, within 7 days of the incident.*

*This bill would additionally impose the reporting duties upon the employer of the security guard or patrol person.*

*(5) Existing law requires security guards, security patrolpersons, persons employed by private patrol operators and armored contract carriers, and registered uniform security guards to complete specified courses, acquire specified licenses, and be subject to specified provisions*

*relating to their duties and relating to the carrying and use of a firearm or baton, as provided.*

*This bill would exempt from those provisions a federal law enforcement officer.*

*(6) Existing law provides that any institution, firm, or individual wishing the approval of the Bureau of Security and Investigative Services to offer the firearms course must complete an application for certification as a firearms training facility, as specified.*

*This bill would require the bureau, within 90 days after issuance of a "Firearms Training Facility Certificate," to inspect the facility for compliance with the specified requirements. The bill would authorize the bureau to inspect the facility prior to the issuance of a certificate. The bill would also require the bureau to maintain a program of random and targeted inspections of facilities to ensure compliance with applicable laws relating to the conduct and operation of facilities, and to inform facilities when the bureau determines that the facility is not in compliance with the above-mentioned laws.*

*(7) Existing law requires the Bureau of Security and Investigative Services to issue a firearms permit to a private patrol operator when specified conditions are satisfied, including that the bureau has determined, after investigation, that the carrying and use of a firearm by the applicant, in the course of his or her duties, presents no apparent threat to the public safety.*

*This bill would require an applicant to undergo a psychological evaluation, reviewed by a licensed psychologist shall be of the applicant's choice, in order to certify the applicant's psychological capability to exercise appropriate judgment, restraint, and self-control, as provided.*

~~Existing law, California Revised Uniform Limited Liability Company Act, authorizes a limited liability company to have any lawful purpose, except as specified, and authorizes a domestic or foreign limited liability company to render services that may be lawfully rendered only pursuant to a license, certificate, or registration authorized by the Business and Professions Code if the provisions of that code authorize a limited liability company or foreign limited liability company to hold that license, certificate, or registration.~~

~~Existing law, the Alarm Company Act, provides for the licensure and regulation of alarm company operators by the Bureau of Security and Investigative Services within the Department of Consumer Affairs and makes a violation of the act a crime. Existing law, until January 1, 2016,~~

authorizes an alarm company operator to conduct a business as a limited liability company if the alarm company operator holds a valid license issued to that exact same limited liability company. For purposes of the act, existing law, until January 1, 2016, defines a “licensee” to include a limited liability company.

~~This bill would extend the operation of that definition provision to January 1, 2020. Because a violation of the act by a limited liability company would be a crime, the bill would impose a state-mandated local program.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: ~~yes~~*no*.

*The people of the State of California do enact as follows:*

1     SECTION 1. Article 10 (commencing with Section 6981) is  
2     added to Chapter 8.5 of Division 3 of the Business and Professions  
3     Code, to read:

4  
5                                     Article 10. Review

6  
7     6981. Notwithstanding any other law, the powers and duties  
8     of the bureau, as set forth in this chapter, shall be subject to review  
9     by the appropriate policy committees of the Legislature. The review  
10    shall be performed as if this chapter were scheduled to be repealed  
11    as of January 1, 2020.

12    SEC. 2. Article 12 (commencing with Section 7511.5) is added  
13    to Chapter 11 of Division 3 of the Business and Professions Code,  
14    to read:

15  
16                                     Article 12. Review

17  
18    7511.5. Notwithstanding any other law, the powers and duties  
19    of the bureau, as set forth in this chapter, shall be subject to review  
20    by the appropriate policy committees of the Legislature. The review

1 *shall be performed as if this chapter were scheduled to be repealed*  
2 *as of January 1, 2020.*

3 *SEC. 3. Section 7542 of the Business and Professions Code is*  
4 *amended to read:*

5 7542. Every licensee and qualified manager who in the course  
6 of his or her employment or business carries a deadly weapon shall  
7 complete a course of training in the exercise of the powers to arrest  
8 as specified in Section 7583.7 and a course of training in the  
9 carrying and use of firearms as specified in Article 4 (commencing  
10 with Section 7583) of Chapter 11.5. No licensee or qualified  
11 manager shall carry or use a firearm unless he or she has met the  
12 requirements of Sections 7583.23, 7583.28, and 7583.29 and has  
13 in his or her possession a valid firearms qualification card as  
14 provided in Section 7583.30. A licensee or qualified manager who  
15 possesses a valid firearms qualification card shall comply with  
16 and be subject to the provisions of Sections 7583.31, 7583.32, and  
17 7583.37. *A licensee or qualified manager who posses a valid*  
18 *firearms qualification card may carry a firearm capable of being*  
19 *concealed upon the person in a concealed manner if he or she*  
20 *complies with applicable provisions set forth in Chapter 4*  
21 *(commencing with Section 26150) of Division 5 of Title 4 of Part*  
22 *6 of the Penal Code.*

23 *SEC. 4. Article 8 (commencing with Section 7573.5) is added*  
24 *to Chapter 11.3 of Division 3 of the Business and Professions*  
25 *Code, to read:*

26  
27 *Article 8. Review*  
28

29 7573.5. *Notwithstanding any other law, the powers and duties*  
30 *of the bureau, as set forth in this chapter, shall be subject to review*  
31 *by the appropriate policy committees of the Legislature. The review*  
32 *shall be performed as if this chapter were scheduled to be repealed*  
33 *as of January 1, 2020.*

34 *SEC. 5. Article 16 (commencing with Section 7576) is added*  
35 *to Chapter 11.4 of Division 3 of the Business and Professions*  
36 *Code, to read:*

Article 16. Review

7576. Notwithstanding any other law, the powers and duties of the bureau, as set forth in this chapter, shall be subject to review by the appropriate policy committees of the Legislature. The review shall be performed as if this chapter were scheduled to be repealed as of January 1, 2020.

SEC. 6. Section 7583.4 of the Business and Professions Code is amended to read:

7583.4. Any person registered as a security guard or patrolperson, and the employer of the security guard or patrolperson, shall deliver to the director a written report describing fully the circumstances surrounding any incident involving the discharge of any firearm in which he or she was involved while acting within the course and scope of his or her employment, within seven days after the incident. The report shall be made on a form prescribed by the director which shall include, but not be limited to, the following:

- (a) The name, address, and date of birth of the guard or patrolperson.
- (b) The registration number of the guard or patrolperson.
- (c) The firearm permit number and baton permit number of the guard or patrolperson, if applicable.
- (d) The name of the employer of the person.
- (e) The description of any injuries and damages that occurred.
- (f) The identity of all participants in the incident.
- (g) Whether a police investigation was conducted relating to the incident.
- (h) The date and location of the incident. Any report may be investigated by the director to determine if any disciplinary action is necessary.

A copy of the report delivered to the director pursuant to this section shall also be delivered within seven days of the incident to the local police or sheriff’s department which has jurisdiction over the geographic area where the incident occurred.

SEC. 7. Section 7583.6 of the Business and Professions Code is amended to read:

7583.6. (a) A person entering the employ of a licensee to perform the functions of a security guard or a security patrolperson

1 shall complete a course in the exercise of the power to arrest prior  
2 to being assigned to a duty location.

3 (b) Except for a registrant who has completed the course of  
4 training required by Section 7583.45, a person registered pursuant  
5 to this chapter shall complete not less than 32 hours of training in  
6 security officer skills within six months from the date the  
7 registration card is issued. Sixteen of the 32 hours shall be  
8 completed within 30 days from the date the registration card is  
9 issued.

10 (c) A course provider shall issue a certificate to a security guard  
11 upon satisfactory completion of a required course, conducted in  
12 accordance with the department's requirements. A private patrol  
13 operator may provide training programs and courses in addition  
14 to the training required in this section. A registrant who is unable  
15 to provide his or her employing licensee the certificate of  
16 satisfactory completion required by this subdivision shall complete  
17 16 hours of the training required by subdivision (b) within 30 days  
18 of the date of his employment and shall complete the 16 remaining  
19 hours within six months of his or her employment date.

20 (d) The department shall develop and approve by regulation a  
21 standard course and curriculum for the skills training required by  
22 subdivision (b) to promote and protect the safety of persons and  
23 the security of property. For this purpose, the department shall  
24 consult with consumers, labor organizations representing private  
25 security officers, private patrol operators, educators, and subject  
26 matter experts.

27 (e) The course of training required by subdivision (b) may be  
28 administered, tested, and certified by any licensee, or by any  
29 organization or school approved by the department. The department  
30 may approve any person or school to teach the course.

31 (f) (1) On and after January 1, 2005, a licensee shall annually  
32 provide each employee registered pursuant to this chapter with  
33 eight hours of specifically dedicated review or practice of security  
34 officer skills prescribed in either course required in Section 7583.6  
35 or 7583.7.

36 (2) A licensee shall maintain at the principal place of business  
37 or branch office a record verifying completion of the review or  
38 practice training for a period of not less than two years. The records  
39 shall be available for inspection by the bureau upon request.

1 (g) This section does not apply to a peace officer as defined in  
2 Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2  
3 of the Penal Code who has successfully completed a course of  
4 study in the exercise of the power to arrest approved by the  
5 Commission on Peace Officer Standards and Training. This section  
6 does not apply to armored vehicle ~~guards~~; *guards and federal law*  
7 *enforcement officers.*

8 ~~(h) This section shall become operative on July 1, 2004.~~

9 *SEC. 8. Section 7583.12 of the Business and Professions Code*  
10 *is amended to read:*

11 7583.12. (a) No employee of a licensee shall carry or use a  
12 firearm unless the employee has in his or her possession both of  
13 the following:

14 (1) A valid guard registration card issued pursuant to this  
15 chapter.

16 (2) A valid firearm qualification card issued pursuant to this  
17 chapter.

18 (b) An employee of a licensee may carry or use a firearm while  
19 working as a security guard or security patrolperson pending receipt  
20 of a firearm qualification card if he or she has been approved by  
21 the bureau and carries on his or her person a hardcopy printout of  
22 the bureau's approval from the bureau's Internet Web site and a  
23 valid picture identification.

24 (c) In the event of the loss or destruction of the firearm  
25 qualification card, the cardholder may apply to the bureau for a  
26 certified replacement of the card, stating the circumstances  
27 surrounding the loss, and pay a ten-dollar (\$10) certification fee,  
28 whereupon the bureau shall issue a certified replacement of the  
29 card.

30 (d) Paragraph (2) of subdivision (a) and subdivision (b) shall  
31 not apply to a duly appointed peace officer, as defined in Chapter  
32 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal  
33 Code, who meets all of the following:

34 (1) He or she has successfully completed a course of study in  
35 the use of firearms.

36 (2) He or she is authorized to carry a concealed firearm in the  
37 course and scope of his or her employment pursuant to Article 2  
38 (commencing with Section 25450) of Chapter 2 of Division 5 of  
39 Title 4 of Part 6 of the Penal Code.

1 (3) He or she has proof that he or she has applied to the bureau  
2 for a firearm qualification card.

3 (e) (1) This section shall not apply to a duly appointed peace  
4 officer, as defined in Chapter 4.5 (commencing with Section 830)  
5 of Title 3 of Part 2 of the Penal Code, who has written approval  
6 from his or her primary employer, as defined in paragraph (2) of  
7 subdivision (i) of Section 7583.9, to carry a firearm while working  
8 as a security guard or security *officer or to a federal law*  
9 *enforcement officer*.

10 (2) A peace officer exempt under this subdivision shall carry  
11 on his or her person a letter of approval from his or her primary  
12 employer authorizing him or her to carry a firearm while working  
13 as a security guard or security officer.

14 *SEC. 9. Section 7583.22 of the Business and Professions Code*  
15 *is amended to read:*

16 7583.22. (a) A licensee, qualified manager of a licensee, or  
17 security guard who, in the course of his or her employment, may  
18 be required to carry a firearm shall, prior to carrying a firearm, do  
19 both of the following:

20 (1) Complete a course of training in the carrying and use of  
21 firearms.

22 (2) Receive a firearms qualification card or be otherwise  
23 qualified to carry a firearm as provided in Section 7583.12.

24 (b) A licensee shall not permit an employee to carry or use a  
25 loaded or unloaded firearm, whether or not it is serviceable or  
26 operative, unless the employee possesses a valid and current  
27 firearms qualification card issued by the bureau or is so otherwise  
28 qualified to carry a firearm as provided in Section 7583.12.

29 (c) A pocket card issued by the bureau pursuant to Section  
30 7582.13 may also serve as a firearms qualification card if so  
31 indicated on the face of the card.

32 (d) Paragraph (1) of subdivision (a) shall not apply to a peace  
33 officer as defined in Chapter 4.5 (commencing with Section 830)  
34 of Title 3 of Part 2 of the Penal Code, who has successfully  
35 completed a course of study in the use of ~~firearms~~ *firearms or to*  
36 *a federal law enforcement officer*.

37 ~~(e) This section shall become operative on January 1, 1998.~~

38 *SEC. 10. Section 7583.23 of the Business and Professions Code*  
39 *is amended to read:*

1 7583.23. The bureau shall issue a firearms permit when all of  
2 the following conditions are satisfied:

3 (a) The applicant is a licensee, a qualified manager of a licensee,  
4 or a registered uniformed security guard.

5 (b) A certified firearms training instructor has certified that the  
6 applicant has successfully completed a written examination  
7 prepared by the bureau and training course in the carrying and use  
8 of firearms approved by the bureau.

9 (c) The applicant has filed with the bureau a classifiable  
10 fingerprint card, a completed application for a firearms permit on  
11 a form prescribed by the director, dated and signed by the applicant,  
12 certifying under penalty of perjury that the information in the  
13 application is true and correct.

14 (d) The bureau has determined, after investigation, that the  
15 carrying and use of a firearm by the applicant, in the course of his  
16 or her duties, presents no apparent threat to the public safety, or  
17 that the carrying and use of a firearm by the applicant is not in  
18 violation of the Penal Code.

19 (e) (1) *Each applicant for a firearms permit shall be*  
20 *administered any current standard form of the Minnesota*  
21 *Multiphasic Personality Inventory (MMPI), or other psychological*  
22 *evaluation instrument approved by the bureau, which shall be*  
23 *administered by certified firearms training facility during the*  
24 *firearms training course. The certified firearms training facility*  
25 *shall forward the response data to a psychologist licensed by the*  
26 *California Board of Psychology for evaluation. The licensed*  
27 *psychologist shall be of the applicant's choice. It shall be the*  
28 *responsibility of the applicant to bear the costs of the psychological*  
29 *evaluation.*

30 (2) *If the licensed psychologist is unable to certify the*  
31 *applicant's psychological capability to exercise appropriate*  
32 *judgment, restraint, and self-control, after evaluating the data,*  
33 *the psychologist shall employ whatever other psychological*  
34 *measuring instruments or techniques deemed necessary to form a*  
35 *professional opinion. The use of any psychological measuring*  
36 *instruments or techniques shall require a full and complete written*  
37 *explanation to the bureau.*

38 (3) *The psychologist shall forward a written psychological*  
39 *evaluation, on a form prescribed by the bureau, to the bureau*  
40 *within 15 days of the evaluation, even if the applicant is found to*

1 *be psychologically at risk. The bureau may utilize the results of*  
2 *the psychological evaluation for up to six months from the date of*  
3 *the evaluation after which the applicant shall be reexamined. No*  
4 *person who has been found psychologically at risk in the exercise*  
5 *of appropriate judgment, restraint, or self-control shall reapply*  
6 *for permit until one year from the date of being found*  
7 *psychologically at risk.*

8 *(4) The subdivision does not apply to a peace officer as defined*  
9 *in Chapter 4.5 (commencing with Section 830) of Title 3 of Part*  
10 *2 of the Penal Code or to a federal law enforcement officer*

11 *(e)*

12 *(f) The applicant has produced evidence to the firearm training*  
13 *facility that he or she is a citizen of the United States or has*  
14 *permanent legal alien status in the United States. Evidence of*  
15 *citizenship or permanent legal alien status shall be that deemed*  
16 *sufficient by the bureau to ensure compliance with federal laws*  
17 *prohibiting possession of firearms by persons unlawfully in the*  
18 *United States and may include, but not be limited to, Department*  
19 *of Justice, Immigration and Naturalization Service Form I-151 or*  
20 *I-551, Alien Registration Receipt Card, naturalization documents,*  
21 *or birth certificates evidencing lawful residence or status in the*  
22 *United States.*

23 *(f)*

24 *(g) The application is accompanied by the application fees*  
25 *prescribed in this chapter.*

26 *SEC. 11. Section 7583.33 of the Business and Professions Code*  
27 *is amended to read:*

28 *7583.33. (a) Any licensee, qualified manager, or a registered*  
29 *uniformed security guard who wishes to carry a baton in the*  
30 *performance of his or her duties, shall qualify to carry the weapon*  
31 *pursuant to Article 5 (commencing with Section 7585).*

32 *(b) Subdivision (a) does not apply to a peace officer as defined*  
33 *in Chapter 4.5 (commencing with Section 830) of Title 3 of Part*  
34 *2 of the Penal Code who has successfully completed a course of*  
35 *study in the use of ~~batons~~. batons or to a federal law enforcement*  
36 *officer.*

37 *SEC. 12. Section 7585.4.1 is added to the Business and*  
38 *Professions Code, to read:*

39 *7585.4.1. (a) (1) Within 90 days after issuance of a "Firearms*  
40 *Training Facility Certificate," the bureau or its agents or assistants*

1 shall inspect the facility for compliance with the applicable  
2 requirements of this article and the applicable rules and  
3 regulations of the bureau adopted pursuant to this article.

4 (2) The bureau may inspect the establishment for which a  
5 certificate application has been made prior to the issuance of the  
6 certificate.

7 (b) The bureau shall maintain a program of random and  
8 targeted inspections of facilities to ensure compliance with  
9 applicable laws relating to the conduct and operation of facilities.

10 (c) If the bureau determines that any facility is not complying  
11 with applicable laws relating to the conducting and operation of  
12 facilities, notice thereof shall immediately be given to the facility.

13 SEC. 13. Article 9 (commencing with Section 7588.8) is added  
14 to Chapter 11.5 of Division 3 of the Business and Professions  
15 Code, to read:

16

17

*Article 9. Review*

18

19 7588.8. Notwithstanding any other law, the powers and duties  
20 of the bureau, as set forth in this chapter, shall be subject to review  
21 by the appropriate policy committees of the Legislature. The review  
22 shall be performed as if this chapter were scheduled to be repealed  
23 as of January 1, 2020.

24 SEC. 14. Section 7599.54 of the Business and Professions Code  
25 is amended to read:

26 7599.54. Every agreement, including, but not limited to, lease  
27 agreements, monitoring agreements, and service agreements,  
28 including all labor, services, and materials to be provided for the  
29 installation of an alarm system, shall be in writing. All amendments  
30 subject to the provisions of this section to an initial agreement  
31 shall be in writing. Each initial agreement shall contain, but not  
32 be limited to, the following:

33 (a) The name, business address, business telephone number,  
34 and license number of the licensed alarm company operator and  
35 the registration number of any alarm agent who solicited or  
36 negotiated the agreement.

37 (b) The approximate dates when the work will begin and be  
38 substantially completed.

39 (c) A description of the work to be done, a description of the  
40 materials to be used, and the agreed consideration for the work.

1 (d) A disclosure that alarm company operators are licensed and  
2 regulated by the Bureau of Security and Investigative Services,  
3 Department of Consumer Affairs, Sacramento, CA, 95814.

4 (e) A description of the alarm system including the major  
5 components thereof and services to be provided to the purchaser  
6 once the alarm is installed, including response or monitoring  
7 services, if any.

8 (f) Other matters agreed to by the parties of the contract. The  
9 agreement shall be legible and shall be in a form as to clearly  
10 describe any other document which is to be incorporated into the  
11 contract, and, before any work is done, the client shall be furnished  
12 with a copy of the written agreement signed by the licensee.

13 (g) A statement setting forth that upon completion of the  
14 installation of the alarm system, the alarm company shall  
15 thoroughly instruct the purchaser in the proper use of the alarm  
16 system.

17 (h) In the event a mechanic's lien is to be utilized, a  
18 notice-to-owner statement which shall describe, in nontechnical  
19 language and in a clear and coherent manner using words with  
20 common and everyday meaning, the pertinent provisions of this  
21 state's mechanics' lien laws and the rights and responsibilities of  
22 an owner of property and a contractor thereunder, including the  
23 provisions relating to the filing of a contract concerning a work of  
24 improvement with the county recorder and the recording in the  
25 office of a contractor's payment bond for private work.

26 (i) *For agreements entered into on or after January 1, 2016, if*  
27 *the agreement contains an automatic renewal provision, the*  
28 *agreement shall include a separate and clear disclosure advising*  
29 *the consumer that the agreement he or she is entering into contains*  
30 *an automatic renewal provision. The disclosure shall specify that*  
31 *if the consumer fails to provide notification of nonrenewal, as*  
32 *required in the agreement, it will result in the automatic renewal*  
33 *of the agreement and shall include the period of time of the renewal*  
34 *term.*

35 (i)

36 (j) In addition to the above, every initial residential sales and  
37 lease agreement, the total cost which over the time period fixed  
38 by the agreement exceeds two hundred fifty dollars (\$250),  
39 including the cost of all labor, service, or material to be provided

1 by the licensee for the installation, shall include, but not be limited  
2 to, the following:

3 (1) A schedule of payments showing the amount of each  
4 payment as a sum in dollars and cents. This schedule of payments  
5 shall be referenced to the amount of work for services to be  
6 performed or to any materials or equipment to be supplied.

7 (2) If the payment schedule contained in the agreement provides  
8 for a down payment to be paid to the licensee by the owner or the  
9 tenant before commencement of the work, that down payment  
10 shall not exceed one thousand dollars (\$1,000) or 10 percent of  
11 the contract price, excluding finance charges, whichever is the  
12 lesser.

13 (3) In no event shall the payment schedule provide that the  
14 licensee receive, nor shall the licensee actually receive, payment  
15 in excess of 100 percent of the value of the work performed on  
16 the project at any time, excluding finance charges, except that the  
17 licensee may receive an initial down payment authorized by  
18 paragraph (2). A failure by the licensee, without legal excuse, to  
19 substantially commence work within 20 days of the approximate  
20 date specified in the contract when work is to commence, shall  
21 postpone the next succeeding payment to the licensee for that  
22 period of time equivalent to the time between when substantial  
23 commencement was to have occurred and when it did occur.

24 (4) A notice-to-owner statement which shall describe, in  
25 nontechnical language and in a clear and coherent manner using  
26 words with common and everyday meaning, the pertinent  
27 provisions of this state's mechanics' lien laws and the rights and  
28 responsibilities of an owner of property and a contractor thereunder,  
29 including the provisions relating to the filing of a contract  
30 concerning a work of improvement with the county recorder and  
31 the recording in the office of a contractor's payment bond for  
32 private work.

33 (5) A description of what constitutes substantial commencement  
34 of work pursuant to the contract.

35 (6) A disclosure that failure by the licensee, without legal  
36 excuse, to substantially commence work within 20 days from the  
37 approximate date specified in the agreement when the work will  
38 begin is a violation of the Alarm Company Act.

1 (7) A disclosure informing the buyer of any potential permit  
2 fees which may be required by local jurisdictions concerning the  
3 monitoring of an existing alarm system.

4 (8) This section shall not be construed to prohibit the parties to  
5 a residential alarm system sale contract from agreeing to a contract  
6 or account subject to Chapter 1 (commencing with Section 1801)  
7 of Title 2 of Part 4 of Division 3 of the Civil Code.

8 (k) A violation of this section or failure to commence work  
9 pursuant to paragraph (6) of subdivision ~~(h)~~(j) may result in a fine  
10 of one hundred dollars (\$100) for the first violation and a *fine of*  
11 ~~five hundred-dollar~~ *dollars* (\$500) ~~fine~~ for each subsequent  
12 violation.

13 *SEC. 15. Article 15 (commencing with Section 7599.80) is*  
14 *added to Chapter 11.6 of Division 3 of the Business and*  
15 *Professions Code, to read:*

16  
17 *Article 15. Review*  
18

19 *7599.80. Notwithstanding any other law, the powers and duties*  
20 *of the bureau, as set forth in this chapter, shall be subject to review*  
21 *by the appropriate policy committees of the Legislature. The review*  
22 *shall be performed as if this chapter were scheduled to be repealed*  
23 *as of January 1, 2020.*  
24

25  
26 **All matter omitted in this version of the bill**  
27 **appears in the bill as introduced in the**  
28 **Senate, February 25, 2015. (JR11)**  
29